Excise waiver on processed poultry feeds

174. SHRIMATI BIMBA RAIKAR: Will the Minister of FINANCE be pleased to state:

(a) whether the poultry industry has been pressing for excise waiver on processed poultry feeds and also for a levy of only four per cent under the proposed VAT;

(b) whether the poultry industry contributes more than Rs. 12,000 crores to GNP; and

(c) if so, whether Government would consider providing relief considering the law-cost nutritional benefits accruing from poultry products including eggs?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) Yes, Sir.

(b) The information will be collected and laid on the Table of the House.

(c) Processed poultry feed is exempted from excise duty. As per Entry 54 of list-ll (State List) of the Seventh Schedule to the Constitution, tax on sale or purchase of goods is a State subject. The Value Added Tax is to replace the existing sales tax system in the States and UTs. The rate of tax in VAT regime, classification goods for taxation, etc. are subjects to be decided by the Empowered Committee of State Finance Minister.

Misuse of exemption of transfer of listed stocks

175. SHRIMATI BIMBA RAIKAR: Will the Minister of FINANCE be pleased to state:

(a) whether there are instances of misuse of the new provision of exemption of transfer of listed stocks, hardly traded, acquired on or after 1st March, 2003 and before 1st March, 2004 from tax;

(b) whether the market operators are looking at companies with illiquid and hardly traded shares, to rump up share prices and then exit after holding period of one year; and

(c) if so, the corrective measures contemplated in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) Information is being collected and will be placed on the Table of the House.

Action against errant companies

176. SHRI RAJU PARMAR: Will the Minister of FINANCE be pleased to state:

(a) whether Department of Company Affairs (DCA) has decided to crack down on companies that failed to transfer unclaimed dividends, interest and other amount to Investor Education and Protection Fund;

(b) if so, the details thereof; and

(c) whether Government have taken any action against companies for violation of Government rules, and if so, the names of the companies and action taken against them?

THE MINISTER OF FINANCE (SHRI JASWANT SINGH): (a) and (b) It is mandatory for the companies to credit the amounts that have remained unclaimed and unpaid for a period of 7 years from the date that they become due to payment to Investor Education and Protection Fund. This is as provided under Section 205C of the Companies Act. Department of Company Affairs has asked UTI Institute of Capital Market, Mumbai, to conduct a study of 400 companies, and 600 investors to ascertain such amounts laying with them as on 31.3.2002, the reasons for not crediting the same into the Investor Education and Protection Fund and the problems faced by the companies and the investors in this regard.

(c) 33 companies have come to notice who have been alleged to have violated the provisions of section 205C of the Companies Act, 1956. A list of such companies is given in the enclosed Statement *(see* below) Necessary proceedings as per law are underway by the Registrars of Companies against these companies.

Statement

List of Companies voilated provisions of Companies Act, 1956 1. BASF (India) Limited.